

APPROVED 9-9-09

At 7:10 PM Chairman Charles Kimball called the meeting to order. Budget Committee members present were Charles Kimball, Andy Kohlhofer, Michael Nygren, Pat Martel, Laurie Leveille, Selectman Donald Gates, Jr., School representative Peg Pinkham, School Board members Ida Keane and Sharon Girardi, member of the public Jessica Girardi, School Financial Administrator Bonnie Sandstrom, Superintendent William Lander, Selectman Greta St. Germain, Selectman Brett Hunter, Town Administrator Heidi Carlson, and Recording Secretary Jeanne Nygren.

Carlson presented the agenda for tonight's meeting.

A motion to approve the minutes of the April 8, 2009 meeting was made by Kohlhofer. This motion was seconded by Gates. The vote was 6-0 in favor with Pinkham abstaining as she was not present at the meeting.

Kimball introduced the new Superintendent of Schools William Lander to the Budget Committee table. Pinkham wanted to invite Ida Keane to the table as she is School Board Member that is shadowing Pinkham. Kimball felt she can sit in the audience at this time.

Lander spoke to the Committee with respect to the school and their goals both to the students and their financial responsibilities. Sandstrom handed out papers with information for the FY 2009-2010 Budget Report for a total appropriation of \$10,498,408.00, the insurance cost breakdown and sheets with the break down of the teacher's salaries and what pay step they are at. The teachers that receive stipends (coaching, etc) are missing and she said without this figure the numbers in the budget won't equal the total in the budget.

Pinkham said that the questions requested by Kohlhofer and the Budget Committee didn't get to the SAU until last week due to personal problems in her family and she has forwarded them since, and the answers will be provided. Lander felt most of the questions may have been answered except some of the Special Education questions and Dawn Lewis couldn't be present tonight and she will address these at a later date.

Kohlhofer asked a question on the insurance broken down by FY 2009 and FY 2010 as to what the plans are. Pinkham said we cannot give the names of the people in these plans. Kohlhofer understands this and didn't care who they were, just the plans involved and the cost of each plan.

Kohlhofer also asked about the recording of the Budget Committee meetings. He will be bringing in a camera and its set up in order to tape the Budget Committee meetings for the next meeting to be provided for viewing on Channel 22.

Lander commented on the good job Sandstrom has been doing. He is sensitive to spending, but wants to make sure the kids have what they need, while still being conscious of spending.

Leveille asked how many people/staff are actually employed at the school. Pinkham thought there were 87 or 88 teachers. She also wanted to know how many students are in each class and she asked what the paraprofessionals do and are they certified. Pinkham said that they were aides in the class and all but two were certified. There is a time line that they have to meet to get their certifications. Sandstrom is in the process of updating the figures and getting the books ready for the Budget Committee on the school budget for this upcoming year and all of the requested information is in the book that Leveille will get a copy of.

Nygren asked a question with regard to what was requested and appropriated by the District and voted on in line 5112. The requested budget shows \$1,342,063.00 and the report says \$230,000 more (\$1,573,125.00) Where was this money moved to? Nygren wants to know that if you move money out of line XYZ to pay line B, he would like to know where it was transferred from. If they keep moving money from accounts then maybe they don't need the money in these accounts to begin with. He understands this is a bottom line budget but tracking is necessary for accurate budgeting and somewhere along the line money was transferred. He stated the Budget Committee has a right to know when they moved it and why.

Sandstrom said she has never moved any budget money since she has been Financial Administrator. Lander said he will make sure they will track any of these adjustments.

Pinkham said they had over expenditures on Special Education that was in staff and they met the guidelines.

Kohlhofer asked when you look at the unaudited report the operating budget is greater than the approved budget, by \$77,300.00 Sandstrom said this was a prior year encumbrance and it had to be put in there. She doesn't really understand why, only that the auditors told her to do so. Pinkham felt this should be tracked but not part of the regular budget. Martel said in some budgeting processes you can choose not to do this and you can track it as a liability.

Kohlhofer asked if you have an encumbrance from the previous year how can you carry it over if it isn't approved at School District meeting? Lander said this wasn't spent in the prior year but was raised and appropriated. Sandstrom said this is added to the budget figure and that is why the budget figure doesn't equal. Kohlhofer wanted to try to get this straight and is this money coming in?

Pinkham asked to have Sandstrom check and she said when they build a budget, basing their budget at the level of a teacher in a position, if they hire someone into staff that is in a different level could this be the difference in the salary line.

Pinkham asked if they are going to be meeting on Wednesdays when they set their schedule. Kimball thought that the Budget Committee would be sticking to Wednesdays because of commitments on the other days of the members that are also in other departments.

Nygren asked with the new law that students in school have to finish until age 18 and this being a State mandate will it be funded by the State? Lander said probably not. Nygren said if the School doesn't get the recommendation of funding of this mandate by the Budget Committee that they understand the Committee's position. Lander said that the lack of funding in retirement is 5% short and they are entering a law suit with the State. LGC told Lander that down the road the District might be responsible, but they will send a letter to pay in protest. Sandstrom said they charge interest and penalties if unpaid. Lander said they could set up a Capital Reserve Fund if needed at the next District meeting. This is a 2 year impact.

Kimball asked how the lawsuit (Deerfield) is going after non-payment of IDEA funding. Lander thinks this died in Washington. Kohlhofer said they are required to fund 40% by law and the most they ever funded was 17%. Kohlhofer feels if we will pay the 60% they need to come up with the

40%. Under the circumstances State law is based on Federal law and he doesn't feel any town is obligated to follow the Federal law. Lander feels this would only come back to haunt us in the end.

There were no other questions for the School Board and Kimball thanked both Lander and Sandstrom for coming in tonight and they left the meeting at 7:40 PM.

Gates remarked that two separate tax anticipation notes (TAN'S) were recently signed by the Selectmen at \$500,000 each and every time this is done it costs the town \$250.00. If the School knows they are going to have an expenditure, it would be helpful to do it all at once. Gates understands there are obligations to meet. Pinkham asked has the Tax Collector changed the collection of taxes. Gates said this is already on the agenda for the Selectmen. Gates said this is a Board of Selectman decision but he wants the Town to have the input and reasoning on this subject.

Carlson came into the meeting at 7:45 PM to discuss the Town budget and provide copies for the Budget Committee of the trending report of the Town.

Martel asked if Superintendent Lander was full time. Pinkham said he runs about 32-34 hours/week and that he is contracted.

Kimball asked when they are getting the first Town budget meeting. Carlson passed out a timeline sheet. August was the deadline for the Town. She said that she already has 6 or 8 budgets ready and the Selectman have reviewed 3 or 4. To keep moving on track she will start to bring in the department budgets to the Budget Committee after being seen by the Selectmen. She will try to get the figures available for the Committee on the spreadsheet and by mid September she would have some ready for the Budget Committee to begin.

Nygren asked for the year to date transactions and revenues for each department. He would also like to have the number of permits, registrations that go along with these figures and for anything that generates revenue. Also seeing that we are in a default budget, he would like to know about and to have line item transfers be made available. He also asked if they are thinking of closing the building one day a week and if they are thinking about 10% reduction in their budgets. Carlson said last year they spoke of this when going into the default budget but nothing happened. Nygren isn't just talking full time staff for reduction.

Nygren asked if there were any decisions on the North Road project. Carlson said insurance claims are still pending and that there is another estimate that is lower, and she would say they are closer to final resolution.

Kohlhofer asked in regard to the State's work force housing requirement. Carlson said the Rockingham Planning Commission planner circuit-rider is leaving and there is not yet a replacement. The Planning Board has been working on the Master Plan as well as the housing ordinance. Carlson thought that money in Planning Board budget (matching grants and professional services) are contracted (\$1000.00) to do that chapter. The data base has been updated on single family dwellings. This is another project the State mandates but doesn't give any money to do. Carlson will get all the data from the Planning Board to follow up.

Kohlhofer requested looking at all expenditures and that he wants any new mandates that come out. Carlson asked how they are going to do that. Pinkham said they would have to have a law suit.

Carlson spoke in follow up to the discussion in regard to the revaluation process that was voted down. We are planning to have a Public Hearing. If the Board of Tax and Land Appeals has to take this over we will have to pay a premium and it will cost the Town more and we won't have any control over this. The Selectmen have had some legal research done. Carlson said this fall there will be a Public Hearing. Carlson said the Department of Revenue Administration representative came in to meet with the Board of Selectmen in July. He said his correlation on unfunded mandates is this is just like voters voting down Special Education. Carlson went to them because they wanted a special town meeting for the Selectmen to be the authorization agents.

Kohlhofer asked how would you go about putting the Selectmen in charge of the Trust Fund and would this be risky. He asked if Department of Revenue Administration will try to be here for the Deliberative Session or the Public Hearing. Carlson said last year this wasn't costing any money to the Town as the funds are already in the Capitol Reserve Fund, but now this will probably cost a little more due to inflation.

Kohlhofer asked if the Selectmen have met to deal with the issue of money flow and the Tax Collector doing twice a year collections. Pinkham asked where we are in tax collections for the current years taxes. Carlson said the Selectmen now are sitting on the deeds of people's houses. In December 08 it was about \$700,000 and now it is less. Nygren said what is the indication of what we are going to have to spend and that also the State is going to be 19% less in what it is giving the Towns.

Carlson asked if there were any other questions on Town budget by the Budget Committee and then started setting upcoming meetings. The Budget Committee marked their calendars for the following Budget Committee meetings on Wednesday, September 9, 16, 23, October 7, 14, 21, 28, November 4, 18, and December 2, 9, and 16. September 9th is for the Committee to work on their planning and approach for the coming year.

Carlson has told departments to probably plan on another default budget or less. The trash and assessing contracts will be increasing. She remarked that some departments have put in for furloughs as a cost-saving measure.

Nygren asked again for Carlson to find out why in March there was a 40% increase in the Police Department spending and what the explanation was.

Carlson stated that the Town's Bulky day will be tentavely on October 17, 2009 for those to remember.

A motion to adjourn the meeting was made by Kohlhofer. This was seconded by Nygren. The vote was unanimous 7-0. The meeting ended at 8:35 PM.

Respectfully submitted by,

Jeanne Nygren
Recording Secretary